

Innovative Legislative Energy Policies and Programs: Low-income Initiatives



Natural Gas Outlook and Consumer
Programs and Assistance

Arkansas Public Service Commission

Little Rock

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Jerrold Oppenheim

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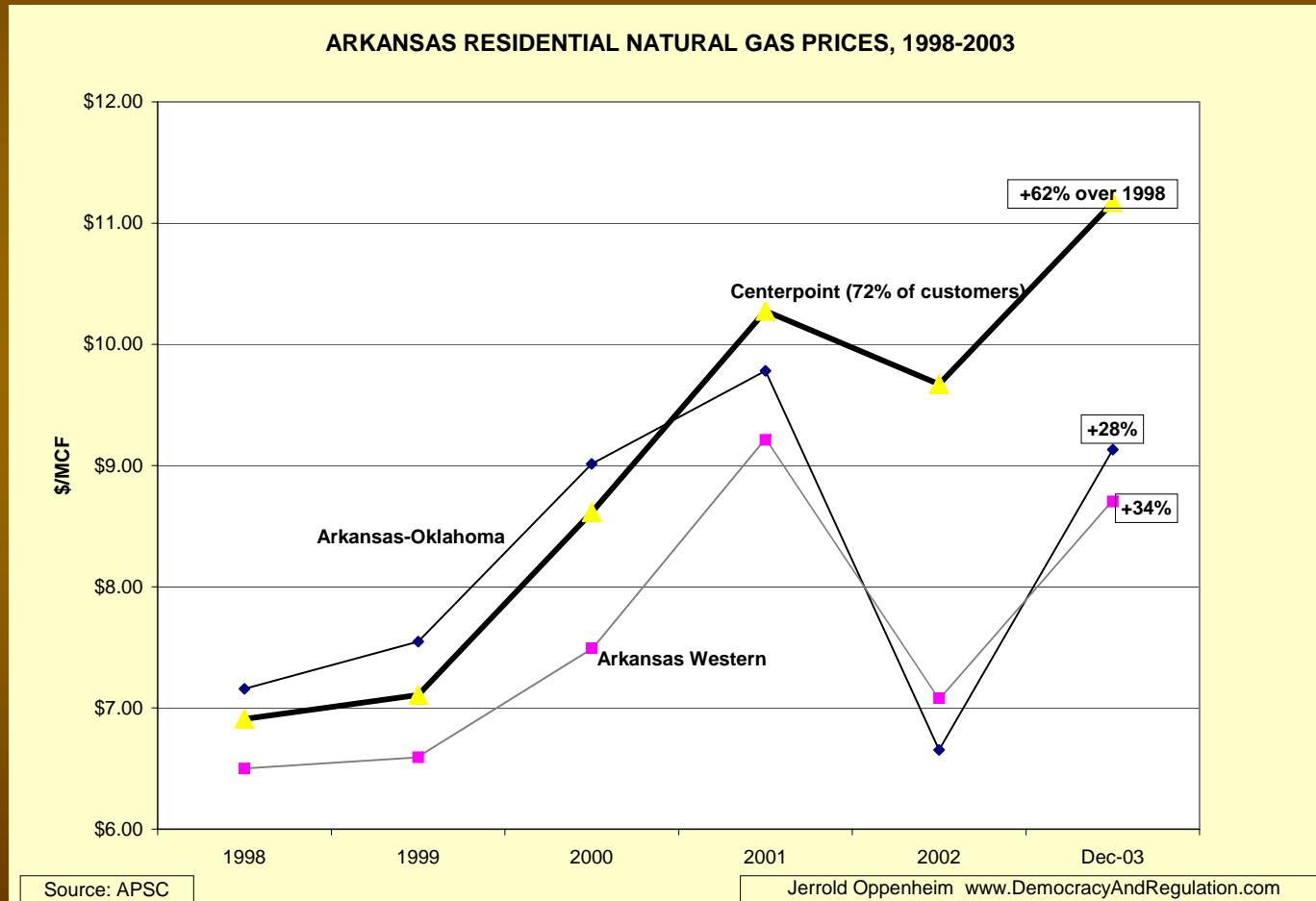
Water Utility in South Africa

(Source: New York Times)

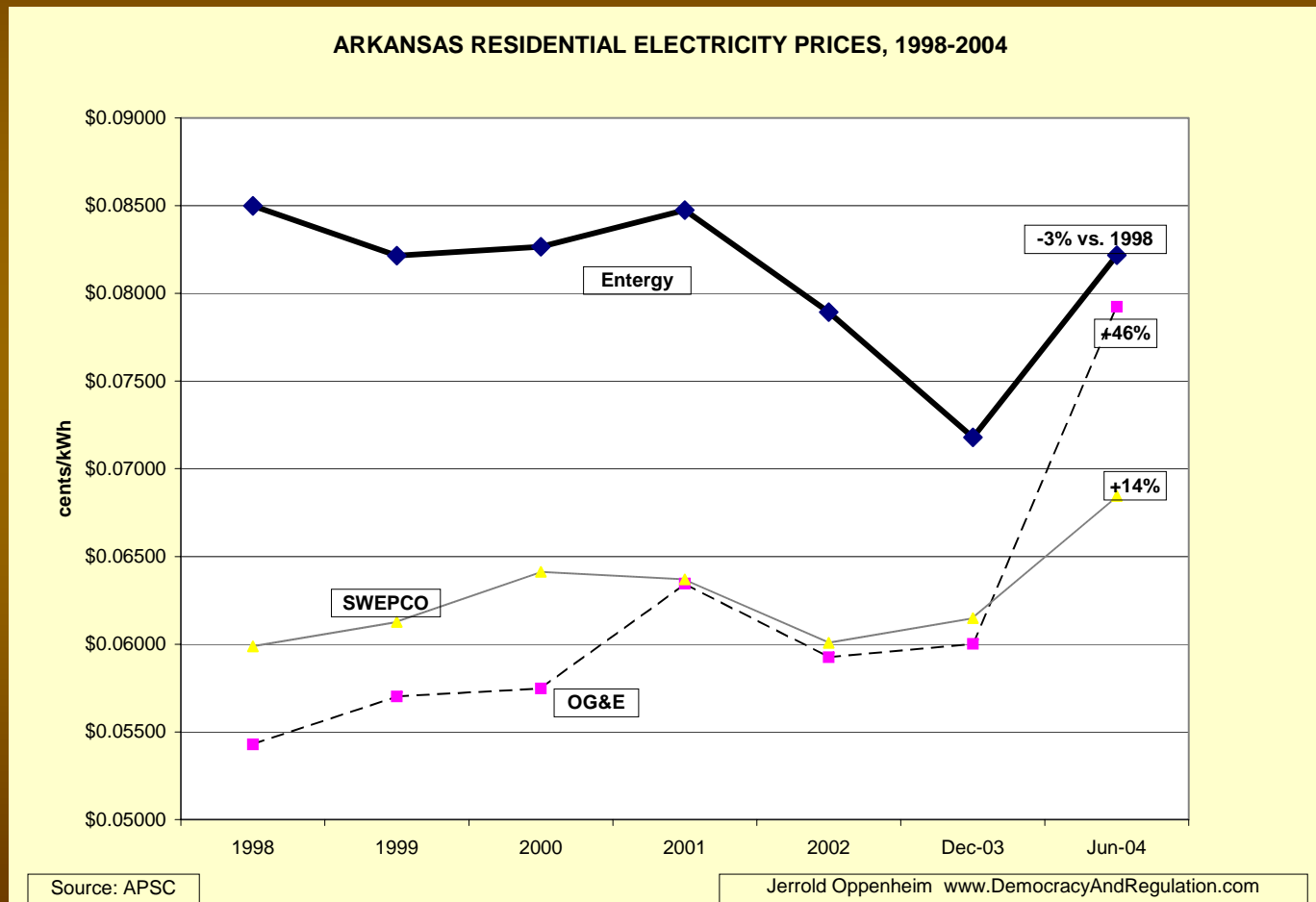


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High and Volatile Gas Prices



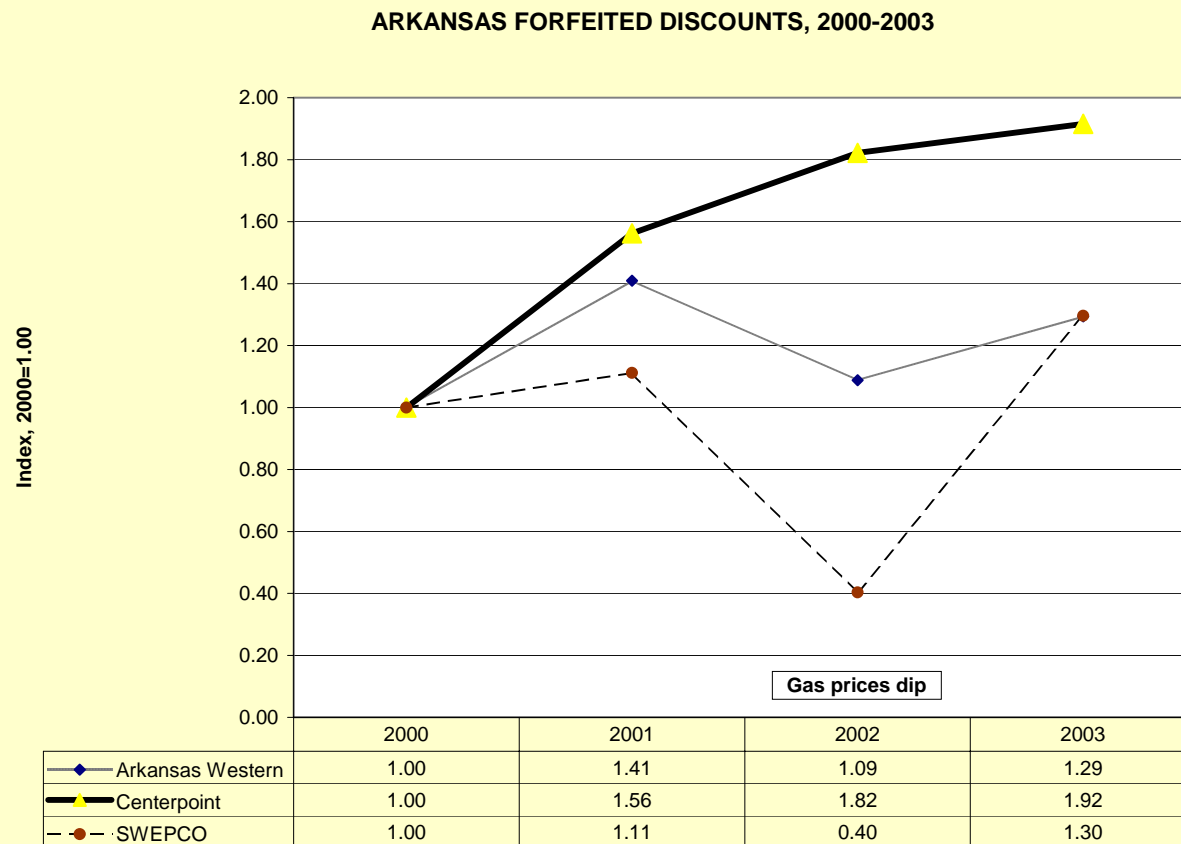
By comparison, electricity prices are stable



Connecticut legislative solution: “Laddering” vs. price volatility

- The department shall mitigate the variation of the price of the default service by requiring each distribution company to procure electric generation contracts in the manner prescribed in a plan approved by the department. Such plan shall require the procurement of a portfolio of contracts sufficient to meet the projected load of the default service. Such plan shall require that a portfolio of multiple contracts be procured in an overlapping pattern of fixed periods at such times and in such manner and duration as the department determines to be most likely to produce just, reasonable and reasonably stable retail rates. The portfolio of contracts shall be assembled in such manner as to invite wholesale competition; guard against favoritism, improvidence, extravagance, fraud and corruption; and secure a reliable electricity supply while avoiding unusual, anomalous or excessive pricing. The portfolio of contracts procured under such plan shall be for terms that vary between six months and the maximum number of years reasonably procurable. (Proposed in Mass.)
- Section 16-244c of the Connecticut General Statutes, Public Act No. 03-13 (2003)

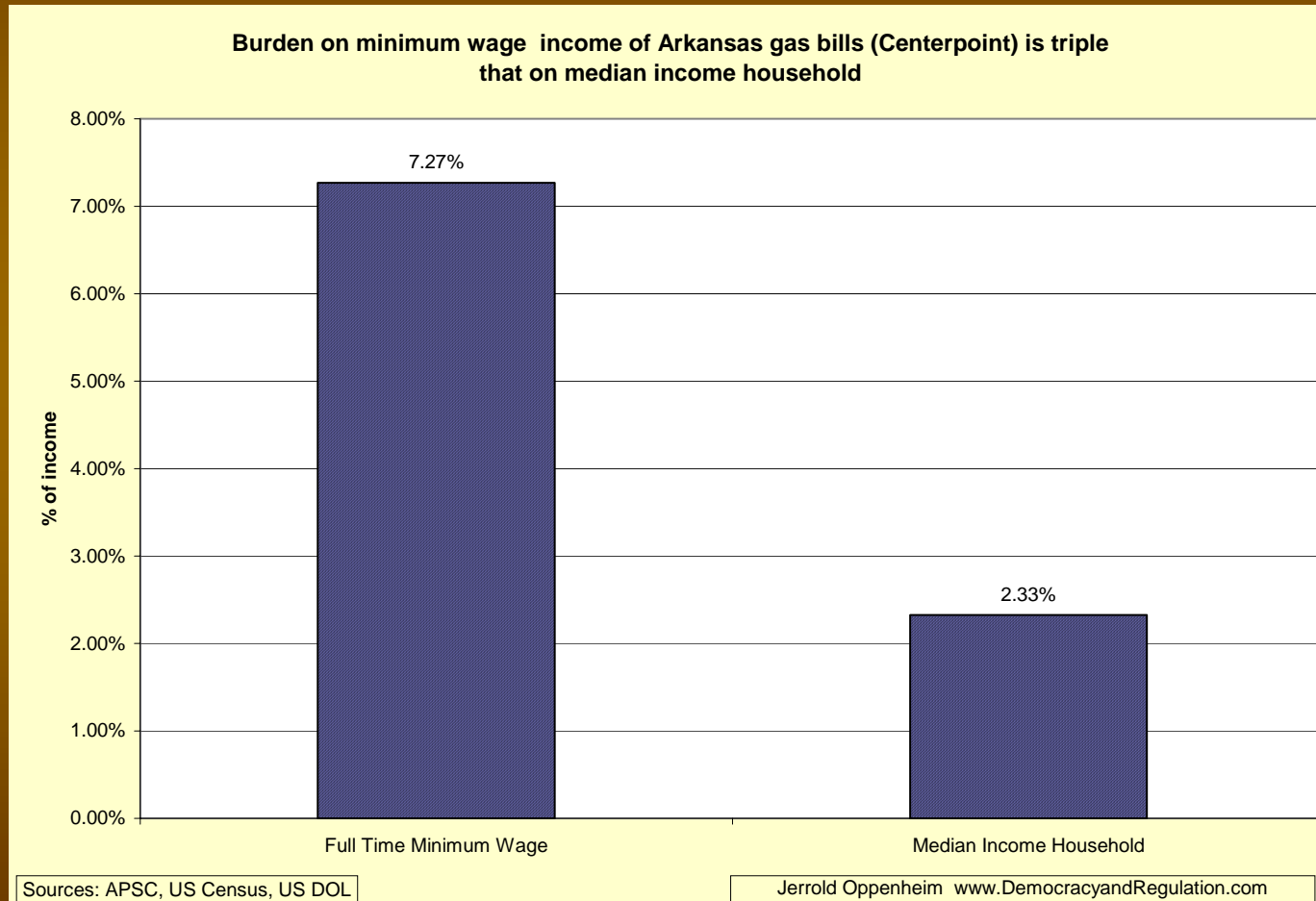
Customers are struggling to pay utility bills



Source: ASPC

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High and volatile bills are especially difficult for low-income families



System Benefit Fund

- Efficiency measures permanently lower bills
- Permanently reduce demand, controls price
- Everyone benefits

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Low-income energy efficiency pays for itself

Benefits of one mill (\$1/month) for low-income efficiency	
Low-income homes served	29,000
KWH saved (life of measures)	700,000,000
Customer savings)
Savings to other ratepayers (arrears, shut-offs)) \$59,000,000.00
Saved water	\$13,000,000.00
Saved moving costs	\$4,500,000
Increased earnings of children (from staying in school without being homeless)	\$230,000
Avoided fire damage	\$22,000,000
Saved uninsured medical costs & lost work	\$24,000,000
Increased property values	\$73,000,000
Net GDP gain	\$2,300,000
Net wage & salary gain	\$11,000,000
Total of these savings (life of measures)	\$209,030,000
as multiple of cost (BCR)	6.7
Families saved from homelessness	8,900
Net new jobs	620
Gallons of water saved	3.3 B
CO ₂ saved (Tons)	460,000
Equivalent to removing cars	11,000
Natural gas saved (MCF)	7.8 M

New sources for assistance

- System Benefit Funds
- Expanded LIHEAP
- Escheat funds



Arrearage Management

- Office collection actions, -34%
- Field collection actions, -75%
- Shut-offs, -62%
- Percent of payment plans paid in full,
+ almost 5X
- Percent of payment plan defaults, -44%
- LIHEAP, other grants, almost doubled
- Total payments, +5%
- Most gains retained in subsequent years

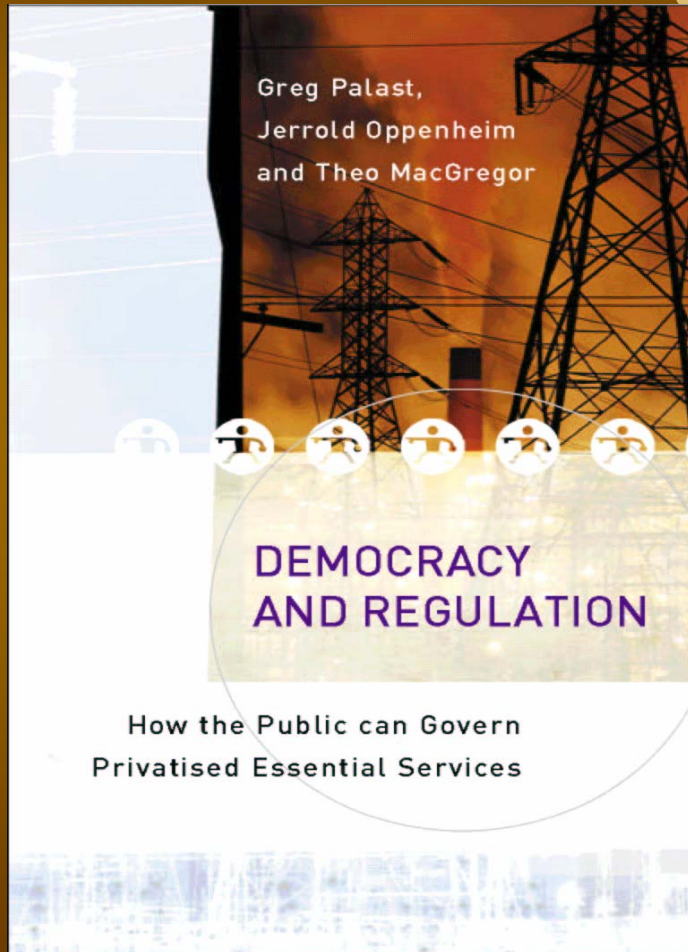
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Resource planning



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- 1-978-283-0897
- JerroldOpp@
DemocracyAndRegulation
.com

Jerrold Oppenheim
www.DemocracyAndRegulation.com

About the Speaker

Jerrold Oppenheim is an independent consultant and attorney who has advised and represented low-income and other utility consumer advocates, government agencies, and utilities across the country for more than 30 years. A graduate of Harvard College and Boston College Law School, he led utility litigation and argued precedent-setting cases for four Attorneys General in New York State and Massachusetts and for Legal Services in Boston, Chicago and New York City. He has spoken and published on four continents, including *Democracy And Regulation* with Theo MacGregor and Greg Palast, published by Pluto Press (London) and winner of the ACLU Upton Sinclair Award.

Jerrold Oppenheim

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